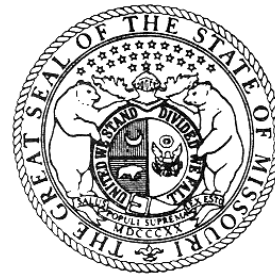


PRESS RELEASE

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Missouri Senate

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Weekly Capitol Report

JEFFERSON CITY – I introduced exciting legislation this week in Senate Bill 1232, “The Competitive Government Act”. It could result in millions of dollars in state savings and the creation of many jobs across Missouri.

If we pass it, the act would require all state agencies to assess their current functions to determine what functions could be performed by private companies. The act requires that a list be prepared by the agencies and sent to the Office of Administration and the State Competition Council, which has not yet been established. Until the council is established, the Office of Administration will perform the council’s duties.

This program follows in line with what the Federal Government has been doing within their systems. Texas, Virginia, and Pennsylvania are other states that are considering or already have passed this type of legislation. Virginia estimates they saved \$32 million last year by releasing contracts through a competitive bidding process.

By filing this legislation, I do not seek to target any particular agency or state employees, but merely want to establish a procedure that will benefit all Missourians.

I am fortunate enough to sometimes serve in the role of President of the Missouri Senate. Sometimes while on the dais, I have time to think about some of the letters written to me by my constituents and neighbors.

One letter I read this week, from David and Mary Bryan of Marshfield, asked questions about Senate Bill 730. This bill is better known as the Homestead Preservation Act. If you are interested in how we are trying to control your rapidly increasing property taxes, please read on.

We have seen various versions of this legislation in the past and it has always attracted opposition, but Senator Chuck Gross of St. Charles County has crafted a version this year that all parties, including myself, have been supporting.

This measure, if approved, would provide a state income tax credit for senior citizens and disabled persons to help offset the impact of property tax increases of more than 5 percent.

The tax credits, subject to appropriation by the Legislature, would be available to citizens who do not qualify for the state's current Circuit Breaker program. Under this plan, individuals with adjusted incomes of \$27,000 to \$50,000 and married couples with adjusted incomes of \$27,000 to \$54,000 would qualify for the tax credit.

The amount of credit received, as a result of an increase in your property taxes, would be applied against the taxes paid the following year. As an example, if your property tax in 2004 is approximately 5% or more than 2003, then the Missouri Homestead Tax Credit would reduce your 2005 taxes by a specific amount.

If you are like me and are a farmer, the property that will be considered for this program will be considered your house and the up to five acres surrounding the house, as such land is classified residential property on your assessor's property record card.

The income tax credit would equal the amount of property tax increases in excess of 5 percent on the homes of taxpayers 65 years or older. Having received preliminary approval in committee, it moves on to the entire Senate for passage before it can head to the House of Representatives.

In the past, many political subdivisions and interest groups have spoken against this idea. Not this year. At the Senate Ways and Means Committee speakers in favor of the bill included the Missouri State Teachers Association, the Missouri National Education Association, the Association of School Administrators, the Missouri School Board Association, the Silver Haired Legislature, and the representatives of Missouri's County Clerks, Collectors, and Assessors. Their support was overwhelmingly positive and it was great to see everybody on the same side of this great bill.

I spoke strongly in favor of SB730 during the meeting in my role as Vice-Chair of Ways and Means. I plan to carry that support to the Senate Floor when it comes to full debate. If you are interested, you can follow the bill's journey to approval or defeat on our Senate website.

In case you were wondering, Mr. and Mrs. Bryan are strongly in favor of this bill as well. I would like to publicly thank them for taking the time to write their State Senator and encourage everyone to do so.

If you have not already done so, please send in your constituent survey that we released recently. A copy is available on my senate website. We have received around 1000 replies as of this day and need much more input from people like you. Your responses will help me decide on issues like taxation and tort reform and are very valuable to me.

If you have an issue or a question on proposed legislation, or any compliments or difficulties with State Government, my office is here to help you. Our toll free number is 1.866.242.0810 and our email is dan.clemens@sentate.state.mo.us.

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